

THOMAS A. MARINO  
United States Attorney  
J. JUSTIN BLEWITT, JR.,  
Assistant U.S. Attorney  
311 Federal Building  
Scranton, PA 18501  
Attorney for Plaintiff  
Phone: (570)-348-2800

UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA

Plaintiff

v.

PETER J. BADDICK, III,

Defendant

3 : MI 03 - 044

Misc. NO.

( )

FILED  
SCRANTON

MAR 12 2003

TO THE CLERK OF COURT:

PER \_\_\_\_\_  
DEPUTY CLERK

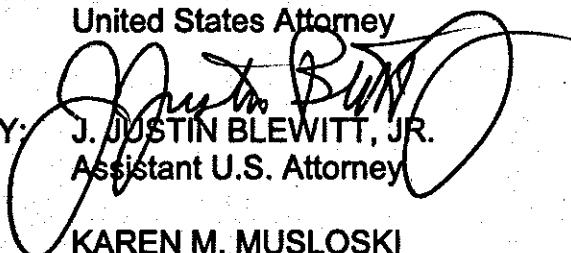
Please enter judgment in favor of Plaintiff, United States of America, and against defendant, PETER J. BADDICK, III, as per the Certification of Judgment issued by the Prothonotary of the Court of Common Pleas of Schuylkill County, Commonwealth of Pennsylvania and attached hereto. Said Certification was filed at Number J-319-1998. Defendant has made no payment on said judgment and the balance due is now in the amount of \$111,266.00 principal, plus interest in the amount of \$26,324.34 through December 31, 2002, for the total amount of \$137,590.34, plus interest at the rate of 7.380 percent per annum and costs.

**Defendant's last known address is 22 Spring Rock Lane, Tamaqua, PA**

18252.

**RESPECTFULLY SUBMITTED,**

**THOMAS A. MARINO  
United States Attorney**

BY:   
**J. JUSTIN BLEWITT, JR.  
Assistant U.S. Attorney**

**KAREN M. MUSLOSKI  
Paralegal Specialist**

DATED: 2/28, 2003

THOMAS A. MARINO  
United States Attorney  
J. JUSTIN BLEWITT, JR.,  
Assistant U.S. Attorney  
311 Federal Building  
Scranton, PA 18501  
Attorney for Plaintiff  
Phone: (570)-348-2800

UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA

Plaintiff	:	Misc. NO.
V.	:	( )
PETER J. BADDICK, III,		
Defendant	:	

**PRAECIPE TO FILE JUDGMENT**  
**BASED ON CERTIFICATION OF JUDGMENT**

TO THE CLERK OF COURT:

Please enter judgment in favor of Plaintiff, United States of America, and against defendant, PETER J. BADDICK, III, as per the Certification of Judgment issued by the Prothonotary of the Court of Common Pleas of Schuylkill County, Commonwealth of Pennsylvania and attached hereto. Said Certification was filed at Number J-319-1998. Defendant has made no payment on said judgment and the balance due is now in the amount of \$111,266.00 principal, plus interest in the amount of \$26,324.34 through December 31, 2002, for the total amount of \$137,590.34, plus interest at the rate of 7.380 percent per annum and costs.

Defendant's last known address is 22 Spring Rock Lane, Tamaqua, PA

18252.

RESPECTFULLY SUBMITTED,

THOMAS A. MARINO  
United States Attorney

BY: J. JUSTIN BLEWITT, JR.  
Assistant U.S. Attorney

KAREN M. MUSLOSKI  
Paralegal Specialist

DATED: 2/28, 2003

IN THE COURT OF COMMON PLEAS OF  
SCHUYLKILL COUNTY, PENNSYLVANIA

Pennsylvania Higher Education  
Assistance Agency,

*Plaintiff*

v.

Peter J. Baddick III,

*Defendant*

Civil Division

*Case Number*

*Praecept for Entry  
of Judgment*

*Filed on Behalf of –  
Plaintiff*

*Name, Address and  
Telephone of –*

X *Counsel of Record*

  *Individual, Pro Se*

Jason L. Swartley, Esquire  
PHEAA Staff Counsel  
1200 North Seventh Street  
Harrisburg, PA 17102-1444  
(717) 720-3800  
Attorney's State ID # 78213

Certified from the Records this 9th

day of January, A.D. 2003

*Peter J. Baddick III*

PROTHONOTARY

PROTHONOTARY  
My Commission Expires  
First Monday of January 2004

PROTHONOTARY'S  
OFFICE  
SCHUYLKILL CITY PA  
19901

JAN 29 1998  
PA PRO

IN THE COURT OF COMMON PLEAS  
SCHUYLKILL COUNTY, PENNSYLVANIA  
CIVIL DIVISION

Pennsylvania Higher Education

Assistance Agency,

Plaintiff

No.

Q-319-1998

v.

Peter J. Baddick III,

Defendant

Term, 19

**PRAECIPE FOR JUDGMENT  
PROTHONOTARY**

TO:

You are hereby directed to enter judgment in favor of the above named Plaintiff and against the Defendant in the principal sum of \$100,164.65 plus interest of \$11,190.45 from the 31<sup>st</sup> day of July, 1996, through the 22<sup>nd</sup> day of February, 1998, plus legal fees of \$9.00 for the total amount of \$111,364.10, plus interest accruing at 7.38%.

  
Plaintiff, Attorney, or Agent

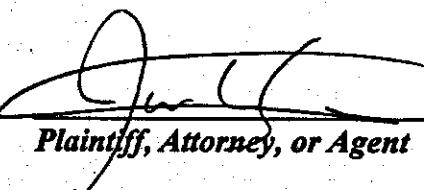
AND NOW, this 29<sup>th</sup> day of January, 1998, judgment is entered in favor of the Plaintiff and against the Defendant in the amount of \$84,996.60.

I hereby certify that the residence of the Plaintiff(s) is:

1200 North Seventh Street  
Dauphin County  
Harrisburg, PA 17102-1444

And that the last known precise residence of the Defendant(s) is:

RR #3, Box 178  
Schuylkill County  
Tamaqua, PA 18252

  
Plaintiff, Attorney, or Agent

PROTHONOTARY'S  
OFFICE  
SCHUYLKILL CITY PA  
17901

JAN 29 1998 PH '98

IN THE COURT OF COMMON PLEAS OF  
SCHUYLKILL COUNTY, PENNSYLVANIA  
CIVIL DIVISION

Pennsylvania Higher Education  
Assistance Agency,

*Plaintiff*

v.

Peter J. Baddick III,

*Defendant*

: No. *J. 319-1998*

: Term, 19

:

:

:

:

**NOTICE OF ORDER, JUDGMENT OR DECREE**

( ) Plaintiff

You are hereby notified that the following Order, Judgment, or Decree has been entered against you on 29<sup>th</sup> day of January, 1998 in the above-captioned case.

(X) Judgment in the amount of \$111,364.10 plus interest accrued at 7.38%

( ) Decree in Divorce

( ) Decree Nisi in Equity

( ) Final Decree in Equity

( ) Justice of the Peace Transcript in Trespass in the amount of \_\_\_\_\_ Plus Costs.

( ) If not satisfied within sixty (60) days, your motor vehicle operator's license will be suspended by the Department of Transportation, Bureau of Traffic Safety, Harrisburg, Pennsylvania.

( ) Entry of Judgment of

( ) Non-Suit of  
( ) Non-Pro  
( ) Default  
( ) Verdict  
( ) Arbitration Award

( ) Justice of the Peace Transcript in Assumpsit in the amount of \_\_\_\_\_ Plus Costs.

*Peter J. Symcox Jr.*

Prothonotary

*Tony M. Gulecki*

Deputy

(Applicable brackets have been checked)  
**THIS NOTICE IS NOT A DEMAND FOR PAYMENT**

JAN 29 1 10 PM '98  
PROTHONOTARY'S  
OFFICE  
CITY PA  
SCHUYLKILL  
17901

JAN 29  
PROTHONOTARY'S  
OFFICE, HARRISBURG,  
PA.  
SCHUTT, KILLEEN  
1/10 PM '98

**AFFIDAVIT OF SERVICE  
STATEMENT OF CLAIM**

**DEFENDANT:** Peter J. Baddick III

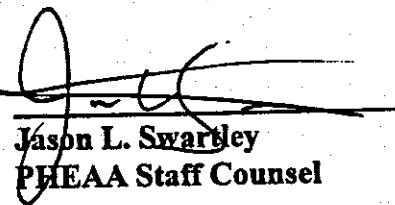
**ACCOUNT NO:** 179-54-1745

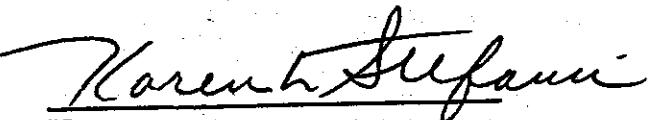
**IT IS HEREBY CERTIFIED THAT PURSUANT TO THE PROVISIONS OF 24  
P.S. SECTION 5104.3 A STATEMENT OF CLAIM WAS SENT TO THE DEFENDANT  
BY FIRST CLASS MAIL TO THE ADDRESS OF RECORD ON THE DATE  
APPEARING ON SAID STATEMENT OF CLAIM. IT IS FURTHER CERTIFIED  
HEREWITH THAT THE STATEMENT OF CLAIM WAS NOT SUBSEQUENTLY  
RETURNED TO THIS OFFICE AS UNDELIVERABLE AND THEREBY MET THE  
REQUIREMENTS OF SERVICE.**

**DATED:**

1/26/98

**SIGNED:**

  
Jason L. Swartley  
PHEAA Staff Counsel

  
Notary



PENNSYLVANIA HIGHER EDUCATION  
ASSISTANCE AGENCY,

PLAINTIFF

VS.

PETER J. BADDICK III

DEFENDANT

ACCOUNT# 179-54-1745

PETER J. BADDICK III  
RR3 BOX 178 WASH  
CREEK RD  
TAMAQUA, PA 18252

PROTHONOTARY'S  
OFFICE  
CITY OF  
SCHUYLKILL  
17901  
10 PM '98

STATEMENT OF CLAIM

1. PLAINTIFF, PENNSYLVANIA HIGHER EDUCATION ASSISTANCE AGENCY, IS A PUBLIC CORPORATION AND GOVERNMENT INSTRUMENTALITY, CREATED UNDER THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA BY THE ACT OF AUGUST 7, 1963, P.L. 549, WITH ITS PRINCIPAL ADMINISTRATIVE OFFICES AT 1200 NORTH SEVENTH STREET, HARRISBURG, PENNSYLVANIA 17102.
2. DEFENDANT IS AN INDIVIDUAL WHOSE LAST KNOWN ADDRESS IS INDICATED ABOVE.
3. PLAINTIFF, PENNSYLVANIA HIGHER EDUCATION ASSISTANCE AGENCY, BRINGS THIS ACTION AGAINST THE DEFENDANT PURSUANT TO THE ACT OF APRIL 29, 1982 (P.L. 365, NO. 102), (24P.S. SECTION 5104.3).
4. DEFENDANT SIGNED A PROMISSORY NOTE(S) CREATING A HEALTH EDUCATION ASSISTANCE LOAN PURSUANT TO THE PUBLIC HEALTH SERVICE ACT. SEE ATTACHED PROMISSORY NOTE(S).
5. DEFENDANT BREACHED THE AGREEMENT TO REPAY THE LOAN OBLIGATION AND THE AFORESAID NOTE(S) WAS DECLARED IN DEFAULT BY THE HOLDER, AT WHICH TIME THE UNPAID BALANCE IMMEDIATELY BECAME DUE AND PAYABLE.
6. THE TOTAL AMOUNT DUE PLAINTIFF IS AS FOLLOWS:

PRINCIPAL SUM	\$ 100,164.65
INTEREST TO 08/21/97	7,581.21
OTHER CHARGES	.00
COSTS	.00
 <b>TOTAL</b>	 <b>\$ 107,745.86</b>

WHEREFORE, PLAINTIFF DEMANDS AN ORDER OF DEFAULT AGAINST DEFENDANT IN THE AMOUNT OF \$ 107,745.86 WITH INTEREST AND COSTS.



STAFF COUNSEL  
P.O. BOX 1357  
HARRISBURG, PA 17105  
(717) 720-3800  
TT# (717) 720-2366

DATE: 08/23/97

**AFFIDAVIT OF ENTRY OF ORDER OF DEFAULT**

PROTHONOTARY  
OFFICE CITY PA  
SCHOOLKILL CTY  
11901  
JAN 29 1 10 PM '98

**DEFENDANT:** Peter J. Baddick III

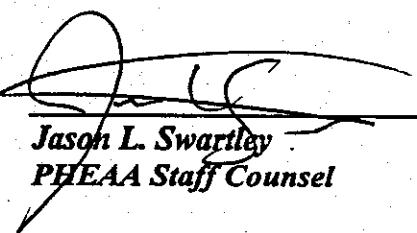
**ACCOUNT NO:** 179-54-1745

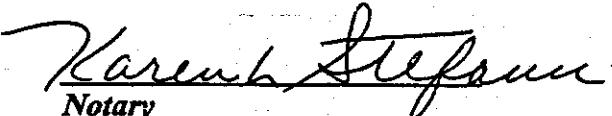
**IT IS HEREBY CERTIFIED THAT PURSUANT TO THE PROVISIONS OF 24  
P.S. SECTION 5104.3 AN ORDER OF DEFAULT WAS ENTERED BY THE BOARD OF  
DIRECTORS OF THE PENNSYLVANIA HIGHER EDUCATION ASSISTANCE  
AGENCY AT ITS BOARD MEETING ON DECEMBER 4, 1997. A RECORD OF THIS  
ENTRY IS DULY RECORDED AND KEPT AT THE OFFICES OF THE AGENCY  
LOCATED AT 1200 NORTH SEVENTH STREET, HARRISBURG, PENNSYLVANIA  
17102-1444.**

**DATED:**

1/26/98

**SIGNED:**

  
Jason L. Swartley  
PHEAA Staff Counsel

  
Karen L. Stefanic  
Notary

**NOTARIAL SEAL**  
KAREN L. STEFANIC, Notary Public  
City of Harrisburg Dauphin County  
My Commission Expires Sept. 13, 2001

PENNSYLVANIA HIGHER EDUCATION  
ASSISTANCE AGENCY,

PLAINTIFF

VS.

PETER J. BADDICK III

PETER J. BADDICK III  
R R 3 BOX 178  
SPRING ROCK LN  
TAMAQUA, PA. 18252

DEFENDANT

ACCOUNT# 179-54-1745

ORDER OF DEFAULT

AND NOW THIS 5TH DAY OF DECEMBER, 1997,  
IT HAVING BEEN DETERMINED THAT THE ABOVE-NAMED DEFENDANT HAS FAILED TO  
FILE A RESPONSE TO THE STATEMENT OF CLAIM FILED AGAINST SUCH DEFENDANT  
IN THE RECORDS OF THE AGENCY, AN ORDER OF DEFAULT IS HEREBY ENTERED  
AGAINST THE DEFENDANT IN THE AMOUNT OF \$ 109,800.82.

PRINCIPAL	\$	100,164.65
INTEREST TO 12/05/97		9,636.17
OTHER CHARGES		.00
COSTS		<u>.00</u>
TOTAL	\$	109,800.82

THE PENNSYLVANIA HIGHER EDUCATION  
ASSISTANCE AGENCY

1-800-233-0751  
TT# 717-720-2366

U.S. GOVERNMENT OF THE STATE OF PENNSYLVANIA  
HEALTH RESOURCES AND SERVICES ADMINISTRATION

## HEALTH EDUCATION ASSISTANCE LOAN PROGRAM

Preliminary Note — Variable Rate

AMERICAN BANKERS  
10/13/93 ATTACH

**WARNING:** Any person who knowingly makes a false statement or misrepresentation in a HEAL loan application, either to the holder or to a Federal official, fraudulently obtains a HEAL loan, or commits any other illegal act(s), in connection with a HEAL loan is subject to prosecution and imprisonment under Federal statute.

Last Name (Print or Type)	First Name	Middle Initial	Social Security Number (Last 4)
Pattie	D.	T	179-34-1822
Other Names Used			
PERMANENT ADDRESS	City	State	Zip Code
1450 West Chester Pk. #11 Springfield Pa.	SPRINGFIELD	PA	19382
TEMPORARY ADDRESS	City	State	Zip Code
1450 West Chester Pk. #11 Springfield Pa.	SPRINGFIELD	PA	19382

## I PROMISE TO PAY

I, Peter T. Badlick Jr., the borrower, promise to pay to the Pennsylvania Higher Education Assistance Agency, Inc. (the "Holder"), or the subsequent holder of this Note, the principal sum of \$20,000.00, to the extent it is advanced as principal or otherwise on the date of disbursement, plus interest at a rate which may be determined by the Holder from time to time, and to pay authorized legal charges, all reasonable attorney's fees, and other costs and expenses that are permitted by Federal regulation, for the collection of any amount not paid when due. This Note is under an Agency program which is funded in part by one or more Federal Governmental agencies, and is issued in accordance with the terms and conditions of such program. This Note is also issued in accordance with the terms and conditions of the Pennsylvania Higher Education Assistance Program, and is subject to the laws of the Commonwealth of Pennsylvania.

The Lender and I further understand and agree that:

## NOTIFICATION

I must immediately notify the holder (the "Holder") if there is any of the following caused to the holder of the loan to request in full: (1) change of address; (2) name change (e.g., student name or reported name); (3) failure to attend a HEAL school for the period for which the loan is intended; (4) transfer to another school; (5) withdrawal from school or enrollment on a less than full-time basis; (6) graduation; (7) failure to begin any activity eligible for deferment status; or (8) cessation of participation in an activity eligible for deferment status.

## INTEREST

1. Beginning on the day the loan is disbursed, interest shall accrue. Payment of the interest accrued before the beginning of the repayment period may be postponed until the date upon which repayment of principal is required to begin or to resume. Interest which has accrued and is not paid may be added to the principal sum of this Note and more frequently than every six months. Beginning when the repayment period commences, interest shall accrue and be paid on all loans in the Repayment Schedule, much like the holder's other obligation and provide to me.

2. Interest shall accrue and be payable at a yearly rate of interest which is equal to a variable rate established by the Secretary of the Department of Health and Human Services for each extended (Master) and computed by determining the average of the bank deposit rates for the thirty-one day U.S. Treasury Bills sustained during the previous calendar year, plus three percent, rounding this figure to the nearest thousandth of one percent.

However, (A) so long as this Note is held in payment and is held by the Agency or the Trustee and has not been transferred out from under the ten of the Indenture, a credit may be computed every month and applied every six (6) months or (B) if this Note is in repayment and held by the Agency or the Trustee and has not been transferred out from under the ten of the Indenture a credit may be computed and applied every month which credit will be a reduction of the interest accrued pursuant to the United States Treasury Regulation on savings bonds (26 CFR § 1.103-13 et seq.) as applicable to the Bonds.

3. Any changes in the yearly rate of interest will affect the payment amounts, the number of payments, or the amount due at maturity.

## INSURANCE PREMIUM

I agree to pay the holder, in addition to interest and principal due, an amount equal to the premium that the holder is required to pay to the Secretary in order to provide insurance coverage on this Note. Payments of an insurance premium estimated in accordance with instructions issued by the Secretary shall be due and payable immediately and may be taken by the holder from the loan proceeds.

## PREPAYMENT

1. At my option and without penalty, paying all or any part of the principal and accrued interest at any time. If I pay off early, I will not have to pay a penalty. If I pay off early, I will not be entitled to a refund of part of the insurance premium.

## REPAYMENT

1. Repayment shall be made in monthly installments over a repayment period which starts the first day of the tenth month after the month in which:

- (A) I cease to be a full-time student at a HEAL school;
- (B)(1) I cease to be a participant in an accredited internship or residency program of not more than four years in duration; or
- (C) I complete the fourth year of an accredited internship or residency program of more than four years in duration; or
- (D) I cease to be a participant in a fellowship training program not in excess of two years or a postgraduate fellowship education program not in excess of two years which (1) is directly related to my education, and the HEAL disbursement premium; I further agree that the check(s) for the proceeds of this loan shall become payable jointly to me and the eligible institution in which I am enrolled.

2. The repayment period shall not be less than ten years nor more than twenty years. Any period described under D(2)(D) shall not be included in determining the ten or twenty-year period. If I receive my first HEAL loan on or after October 22, 1986, the repayment period shall extend to a date that is more than

Except that if I have received a HEAL loan before October 22, 1986, and I become an intern or a resident in an accredited program before the first day of the tenth month after I cease to be a full-time student at a HEAL school, then the repayment period begins on the first day of the tenth month after I cease to be an intern or a resident.

HEAL 10001 Rev. 9/91

thirty-three years from the date on which I started this Pennsylvania Note. This Note is a HEAL loan prior to October 22, 1986; however, any period described under D(2)(D) shall not be included in determining the repayment period.

3. At least thirty and no more than one (1) day before the commencement of any repayment period, I shall furnish the holder of the notes estimate for greater number of repayments. My repayment schedule will require monthly payments. I may extend a monthly repayment schedule with authority by signed instrument or a monthly repayment schedule with greater frequency. The holder may require that the repayment period if I extend the length of my loan, continue the payment of (A). If I do not contact the holder and do not respond to demands from the holder, the holder may establish a monthly repayment schedule with authority of the holder's payment payments, pursuant to the terms of this Note.

4. The terms and conditions of repayment shall be set forth in a separate Repayment Schedule which the lender shall maintain and shall provide the dates of the beginning of the repayment period.

5. Unless I agree otherwise, I shall make a minimum initial repayment of an amount equal to the interest accrued on the original principal balance. Otherwise, as I have other outstanding HEAL loans, the sum of all payments on all loans on my HEAL loans shall not be less than an amount equal to the principal balance on the unpaid principal balance.

6. I understand that this Note shall be held in escrow by the Pennsylvania Higher Education Assistance Agency, Inc. (the "Holder"). If my account becomes overdue by more than sixty days, the holder may apply to appropriate consumer credit reporting agency or firms which regularly and adversely affect my credit rating. The holder may also communicate with the entity over whom collection activities function may include telephone, if my account becomes overdue.

## CREDIT REPORTING AGENCY

My educational institution or my lender may disclose my loan, and any other relevant information, to appropriate consumer credit reporting agencies. If I am late more than sixty days past due in making a scheduled payment, the lender of my loan shall notify an appropriate consumer credit reporting agency of my past due status and any other relevant information.

## LATE CHARGE

If a scheduled payment is late, I will be charged five cents for each dollar of the installment payment due.

## GENERAL

The terms of this Note shall be governed by the Law of the U.S.C. 25-609(f) and the Federal regulation (42 CFR Part 50) governing the administration of the Health Education Assistance Loan (HEAL) Program, copies of which are on file with the holder of this Note.

I agree that all proceeds from this loan will be used solely for tuition and reasonable education expenses, including fees, books, supplies and equipment, laboratory expenses, reasonable living expenses, reasonable transportation costs to the extent they are directly related to my education, and the HEAL disbursement premium. I further agree that the check(s) for the proceeds of this loan shall become payable jointly to me and the eligible institution in which I am enrolled.

I have read and understand the Additional Terms and Statement of Right/Responsibilities printed on the reverse side of this form.

By my signature below I CERTIFY that I have read and understood my rights and responsibilities regarding the HEAL loan under this Preliminary Note.

Date 5-17-93

Peter T. Badlick Jr.  
SIGNATURE OF BORROWER  
1450 West Chester Pk. #11 Springfield PA 19382  
ADDRESS

West Chester, Pa. 19382  
CITY/STATE/ZIP

NOTICE: This note shall be executed without security and without endorsement, except that, if the borrower is a minor and therefore would not, under applicable state law, create a binding obligation, the holder may require an endorser also to sign the Note. The holder shall supply a copy of the Note to the borrower.





U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
HEALTH RESOURCES AND SERVICES ADMINISTRATION  
**HEALTH EDUCATION ASSISTANCE LOAN PROGRAM**

**Promissory Note -- Variable Rate**

**WARNING:** Any person who knowingly makes a false statement or misrepresentation in a HEAL loan application, knows or attempts to obtain a "federal official, fraudulently obtains a HEAL loan, or commits any other illegal action in connection with a HEAL loan subject to possible fine and imprisonment under Federal statute.

Last Name (Print or type)	First Name	Middle Initial	Social Security Number (SSN)
<b>Baddick III</b>	<b>Peter</b>	<b>J.</b>	<b>179-84-733</b>
Other Name(s) Used			
PERMANENT (HOME) ADDRESS	City	State	Zip Code
<b>Po Box 43 2nd St.</b>	<b>Quakake</b>	<b>Pa.</b>	<b>18245</b>
TEMPORARY SCHOOL ADDRESS	City	State	Zip Code
<b>4100 113 Presidential Blvd Phila. Pa.</b>	<b>PA</b>	<b>PA</b>	<b>19131</b>
Area Code/Telephone Number			
<b>(717) 469-3687</b>			
<b>(215) 877-5014</b>			

**PROMISE TO PAY**

I, **Peter J. Baddick III**, the borrower, promise to pay to the Pennsylvania Higher Education Assistance Agency (the "Agency") the sum of **\$10,000**, to the extent it is advanced to me, to pay interest on the principal amount set out below and to pay authorized late charges, all reasonable attorney's fees and other costs and charges that are permitted by Federal regulation and are necessary for the collection of my amount not paid when due. This Note is under an Agency program which is funded in part by one or more Revenue Bond Issues under that matures with Dauphin I deposit Bank and Trust Company, Harrisburg, Pennsylvania, as Trustee (the "Trustee"). Under certain circumstances this Note may be sold or assigned to third parties or transferred out from under the law of the Indenture.

The Lender and I further understand and agree that:

**NOTIFICATION**

I must immediately notify the lender (on this Note), the term "lender" includes a subsequent holder of the Note) in writing if any of the following occurs to me before the loan is repaid in full: (1) change of address; (2) name change (e.g., maiden name or married name); (3) failure to enroll in a HEAL school for the period for which the loan is intended; (4) transfer to another school; (5) withdrawal from school or enrollment on a less than full-time basis; (6) graduation; (7) failure to begin any activity eligible for deferment status; or (8) Cessation of participation in an activity eligible for deferment status.

**INTEREST**

1 Beginning on the day the loan is disbursed, interest shall accrue. Payment of the interest accrued, before the beginning of the repayment period may be postponed until the date upon which repayment of principal is required to begin or to resume. Interest which has accrued and is not paid may be added to the principal sum of the Note not more frequently than every six months. Beginning when the repayment period commences, interest shall accrue and be paid as set forth in the Repayment Schedule which the lender shall establish and provide to me.

2 Interest shall accrue and be payable at a yearly rate of interest which is equal to a variable rate calculated by the Secretary or the Department of Health and Human Services for each calendar quarter and computed by determining the average of the bond equivalent rates for the ninety-one day U.S. Treasury Bills auctioned during the preceding quarter, plus three percent, rounding this figure to the nearest one-eighth of one percent.

However, (a) so long as the Note is not in repayment and is held by the Agency or the Trustee and has not been transferred out from under the law of the Indenture a credit may be computed every month and applied every six (6) months or (b) if the Note is in repayment and held by the Agency or the Trustee and has not been transferred out from under the law of the Indenture a credit may be computed and applied every month which credit will be a reduction of the interest accrued pursuant to the United States Treasury Regulation on arbitrage bonds (26 CFR § 1.103-13 et seq.) as applicable to the Bonds.

3 Any changes in the yearly rate of interest will affect the payment amounts, the number of payments, or the amount due at maturity.

**INSURANCE PREMIUM**

I agree to pay the lender, in addition to interest and principal due, an amount equal to the premium that the lender is required to pay to the Secretary in order to provide insurance coverage on this Note. Payment of an insurance premium calculated in accordance with instructions issued by the Secretary shall be due and payable immediately and may be taken by the lender from the loan proceeds.

**PREPAYMENT**

1 Repayment shall be made in monthly installments over a repayment period which starts the first day of the tenth month after the month in which:

- (A) I cease to be a full-time student at a HEAL school.
- (B)(1) I cease to be a participant in an accredited internship or residency program of not more than four years in duration; or
- (C) I cease to be a participant in a fellowship training program not in excess of two years or a participant in a full-time educational activity not in excess of two years which: (1) is directly related, as defined in program regulations, to the health profession for which I prepared at a HEAL school, and (2) in which I may engage during a two-year period which begins within twelve months after I complete my participation in an internship or residency program described in clause (B)(1) or clause (B)(2) of this paragraph or before I complete my participation in such an internship or residency program.

2 The repayment period shall not be less than ten years nor more than twenty-five years. Any period described under DEFERRMENT shall not be included in determining the ten or twenty-five year periods. If I receive my first HEAL loan on or after October 22, 1985, the repayment period shall not extend to a date that is more than

Except that I have received a HEAL loan before October 22, 1985, and I become an intern or a resident in an accredited program before the first day of the tenth month after I cease to be a full-time student at a HEAL school then the repayment period begins on the first day of the tenth month after I cease to be an intern or a resident.

thirty-three years from the date on which I signed this Promissory Note. If I received any HEAL loan prior to October 22, 1985, however, any period described above shall not be included in determining the thirty-three year period.

3 At least thirty and not more than sixty days before the commencement of my repayment period, I must contact the holder of my loan to establish the specific terms of repayment. My repayment schedule will require monthly payments. However, I may select a monthly repayment schedule with graduated installments that increase or decrease over the repayment period if I contact the holder within the period indicated. If I do not contact the holder and do not respond to contacts from the holder, the holder may establish a monthly repayment schedule with substantially different installment payments subject to the terms of this Note.

4 The terms and conditions of repayment shall be set forth in a separate Repayment Schedule which the lender shall establish and shall provide me prior to the beginning of the repayment period.

5 Unless I agree otherwise, I shall make a minimum annual repayment of an amount equal to the annual interest on the unpaid principal balance. Except as provided above, if I have other outstanding HEAL loans, the sum of all payments to all holders on my HEAL loans shall not be less than an amount equal to the cumulative interest on the unpaid principal balance.

6 I understand that the loan must be repaid in accordance with my Repayment Schedule if my account becomes delinquent by more than thirty days or the account results in an appropriate consumer credit reporting agency of which may significantly and adversely affect my credit rating. The lender may also repossess my home and utilize other collection activities (which may include litigation) if my account becomes overdue.

**CREDIT REPORTING AGENCY**

My educational institution or my lender may disclose my loan, and any other relevant information, to appropriate consumer credit reporting agencies. If I am more than thirty days past due in making a scheduled payment, the lender of my loan will notify an appropriate consumer credit reporting agency of my past delinquency and any other relevant information.

**LATE CHARGE**

If a scheduled payment is late, I will be charged five cents for each dollar of the installment payment due.

**GENERAL**

The terms of this Note shall be construed to the Law (42 U.S.C. 28-2891) and the Federal regulation (43 CFR Part 60) governing the administration of the Health Education Assistance Loan (HEAL) Program, copies of which are on file with the holder of this Note.

I agree that all proceeds from this loan will be used solely for tuition, room, board, meal, educational expenses, including books, supplies and equipment, and laboratory expenses, reasonable living expenses, transportation expenses, and travel only to the extent they are directly related to my education, and the HEAL insurance premium. I further agree that the check(s) for the proceeds of this loan shall be payable jointly to me and the eligible institution in which I am enrolled.

I have read and understand the Additional Terms and Conditions of Responsibility printed on the reverse side of this form.

By my signature below I CERTIFY that I have read and understand my rights and responsibilities regarding the HEAL loan under this Promissory Note.

Date 12-15-89

Peter J. Baddick III  
SIGNATURE OF BORROWER

Po Box 43 2nd Street  
ADDRESS

Quakake, Pa 18245  
CITY/STATE/ZIP

**NOTICE:** This note shall be recorded without security and witness endorsement except that if the borrower is a minor according to the laws of his/her appropriate state or retains a binding obligation, his/her parents may sign and acknowledge this note in their behalf. The borrower shall supply a copy of this Note to the U.S. Senator.

**D.W.K & P.D.B.**





PA18802611  
OAG No. 02-0000  
Exemption Order Number  
**024030**

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
PUBLIC HEALTH SERVICE  
HEALTH RESOURCES AND SERVICES ADMINISTRATION

**HEALTH EDUCATION ASSISTANCE LOAN PROGRAM**

**Promissory Note — Variable Rate**

**WARNING:** Any person who knowingly makes a false statement or misrepresentation in a HEAL loan transaction, bribes or attempts to bribe a Federal official, fraudulently obtains a HEAL loan, or commits any other illegal action in connection with a HEAL loan is subject to possible fine and imprisonment under Federal statute.

Last Name (Print or Type)	First Name	Middle Initial	Social Security Number (SSN)
HADDICK III	Peter	T.	179-54-1745
Other Names Used			
PERMANENT HOME ADDRESS		City	State
511 PINE 43 2nd Street		CRACKAKO	Pa
		Zip Code	18245
TEMPORARY SCHOOL ADDRESS		City	State
1750 West 3rd Street		PALESTINE	TX
		Zip Code	76322
		Area Code/Telephone Number	
		(717) 467-2687	
		Area Code/Telephone Number	
		(215) 930-8443	

**PROMISE TO PAY**

I, Peter T. HADDICK III, the borrower, promise to pay to the Pennsylvania Higher Education Assistance Agency (the "Agency") the sum of \$16,000.00 to the extent it is advanced to me, to pay interest on the principal sum as set forth and to pay attorney's fees, and other costs and charges that are permitted by Federal regulations and are necessary for the collection of my loan not paid when due. This Note is under an Agency program which is funded in part by one or more Pennsylvania bond issues under Trust Indenture with Peoples Capital Bank and Trust Company, Harrisburg, Pennsylvania, as Trustee (the "Trustee"). Under certain circumstances this Note may be sold or assigned to third parties or transferred out from under the law of the indorsement.

The Lender and I further understand and agree that:

**MOTIVATION**

I must immediately notify the holder (in the Note, the term "holder" includes a subsequent holder) of the Note if any of the following occurs to me before the loan is repaid in full: (1) change of address; (2) name change (e.g., maiden name or married name); (3) failure to enroll in a HEAL school for the period for which the loan is intended; (4) transfer to another school; (5) withdrawal from school or otherwise on a less than full-time basis; (6) graduation; (7) failure to begin any activity eligible for deferment status; or (8) cessation of participation in an activity eligible for deferment status.

**INTEREST**

Interest on the day the loan is disbursed, interest shall accrue. Payment of the interest accruing before the beginning of the repayment period may be postponed until the date upon which repayment of principal is required to begin or to resume. Interest which has accrued and is not paid may be added to the principal sum of the Note and borne fractionally every six months. Beginning when the repayment schedule commences, interest shall accrue and be paid as set forth in the Repayment Schedule which the holder shall calculate and provide to me.

Interest shall accrue and be payable at a yearly rate of interest which is equal to a factor rate calculated by the Secretary of the Department of Health and Human Services for each calendar quarter and computed by determining the average of and summing rates for the ninety-one day U.S. Treasury Bills auctioned during the preceding quarter, plus three percent, rounding the figure to the nearest one-eighth of one percent.

However, (a) so long as this Note is not in repayment and is held by the Agency or the Trustee and has not been transferred out from under the law of the Indenture it should be computed every month and applied every six (6) months or (b) if the Note is in repayment and held by the Agency or the Trustee and has not been transferred out from under the law of the Indenture it should be computed and applied every month which credit will be a reduction of the interest accrued pursuant to the United States Treasury Regulations on savings bonds (26 CFR § 1.103-3 of 1993) as applicable to the Bonds.

Any changes in the yearly rate of interest will affect all payment amounts, the amount of earnings or the amount due at maturity.

**MISGRADING PROVISION**

I agree to pay the holder, as sufficient to reduce and cancel out, an amount equal to the premium that the holder is required to pay to the Secretary in order to provide insurance coverage on this Note. Payment of an insurance premium calculated in accordance with instructions issued by the Secretary shall be due and payable immediately and may be taken by the holder from the loan proceeds.

**PENALTY CLAUSE**

I agree to pay the holder and annual penalty, payable at or any part of the principal and accrued interest at the time I fail to pay, I had not been to pay a penalty if I pay all early. I will not be entitled to a refund of part of the insurance premium.

**DEFERMENT**

I may be given and annual penalty, payable at or any part of the principal and accrued interest at the time I fail to pay, I had not been to pay a penalty if I pay all early. I will not be entitled to a refund of part of the insurance premium.

**DEFERRED PAYMENT**

I may be given and annual penalty, payable at or any part of the principal and accrued interest at the time I fail to pay, I had not been to pay a penalty if I pay all early. I will not be entitled to a refund of part of the insurance premium.

(a) I consent to be a participant in an extended enrollment or residency program of no more than four years in duration; or

(b) I complete the fourth year of an accredited enrollment or residency program of more than four years in duration; or

(c) I cease to be a participant in a full-time training program not in excess of four years if a participant in a full-time educational activity not in excess of two years; or (d) I directly resign, as defined in program requirements, to the reason for which I prepared at a HEAL school, and (e) in which I may engage during a two-year period which begins within twelve months after I complete my participation in an enrollment or residency program contained in clause (b)(2) of this paragraph or clause (b)(2) of the paragraph or clause I complete my participation in such an enrollment or residency program;

(f) The repayment period shall not be less than ten years nor more than twenty years. Any period described under DEFERMENT shall not be included in determining the last or monthly due period if it occurs by the HEAL loan on or after December 22, 1985, but repayment period shall not extend to a date that is more than

than</p